

# \$55.6 MILLION BY FALL TO HELP SOUTH BRONX IS PLEDGED BY U.S.

## START OF SEVEN-YEAR EFFORT

### Major Rehabilitation of Two Lagging Commercial Districts Included— Business Loans Part of Plan

**By GLENN FOWLER**

The Carter Administration pledged yesterday to spend \$55.6 million between now and Sept. 30 to help New York City rehabilitate the depressed part of the Bronx below Fordham Road, signaling the start of a seven-year effort to reverse the trend of joblessness and deterioration that has blighted a third of the borough.

The Federal financing was committed by Jack H. Watson Jr., a Presidential assistant, who joined Mayor Koch and other city officials at a City Hall news conference at which he termed the proposed Bronx revival a "living example" of what Mr. Carter hopes to accomplish with his recently enunciated urban policy.

Six months after the President, on a visit to New York, stood in a rubble-strewn lot on devastated Charlotte Street near Crotona Park and promised to put Federal resources into a massive attempt to rescue the South Bronx from its difficulties, Mr. Watson handed the Mayor a list of specific loans, grants and other payments that he said the Federal Gov-

ernment was prepared to make upon proper application from local authorities.

The proffer of concrete Federal assistance was received happily by Mr. Koch, who said the city would not decrease its own financial commitment to the devastated Bronx area because of the prospective influx of Federal dollars.

The Mayor was careful not to embrace the newly formulated program as a panacea for the South Bronx. Asked at the news conference whether, in light of the failure of all previous infusions of Government money to improve conditions in a deteriorated area that is as large as downtown Boston, he said: "Shangri-La is not around the corner. But this is a real beginning."

As outlined by Mr. Watson, the bulk of Washington's initial commitment in the current Federal fiscal year, which ends next Sept. 30 is regarded as a down payment on the President's promise made last October.

**Job Training Stressed**

The city expects that eventual Federal contributions will total \$520 million, including \$200 million in housing subsidies, and that the outlay, together with expenditures by the city and state in the area, will trigger aggregate spending of as much as \$1.5 billion from public and private sources.

The financing pledged yesterday will go primarily toward increasing job opportunities among the hard-core unemployed in the area and for major rehabilitations of two lagging commercial districts—the Hub, around 149th Street and Third Avenue, and the Fordham Road strip to the north.

Of the initial \$55.6 million Federal commitment, \$45 million will be for economic development, including low-inter-

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The New York Times/Neal Boenzi

At City Hall announcement on the South Bronx yesterday were, from left, Representative Robert Garcia, Deputy Mayor Herman Badillo, Mayor Koch, Presidential aide Jack W. Watson Jr., and Borough President Robert Abrams.



# \$55.6 Million in U.S. Aid Is Pledged for South Bronx

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est loans for expansion of existing businesses and for companies moving into the area or returning to it. The money will be channeled through a variety of agencies, including the Small Business Administration, the Community Services Administration, the Economic Development Administration and the Department of Labor.

An important element will be job training. A Job Corps center will be established to train between 200 and 250 young people from the southern Bronx for jobs within the area. Financing will be provided to teach English as a second language to Spanish-speaking residents.

Second to jobs, the focus of the Federal aid will be on housing. Mr. Watson said that within the next five months as 1,000 units of new and rehabilitated housing would be approved under the program of subsidies to builders who agree to accept low-income tenants.

Herman Badillo, Deputy Mayor for Management, who will coordinate the Bronx renewal program for the city, said the New York City Housing Authority had been selected as the first sponsor of a project, to be built in the Charlotte Street area. But subsequent housing will be built primarily by private developers in an effort to spread as much of the spending into the private sector.

### Some Valuable Lessons

Alluding to the failure of some past efforts to erect new housing and to rehabilitate rundown properties in the South Bronx, Mr. Badillo said the city had learned some valuable lessons.

"Many of the nonprofit sponsors didn't have the expertise to operate housing," he said. "Starting now the emphasis will be on cooperative ownership so that the people who live in the housing have a stake in keeping it up."

The Federal commitment for housing assistance, while not specific in dollar terms, promised substantial efforts to generate private-sector financing for additional residential construction and rehabilitation beyond the 1,000 Section 8-aided units. This would come through Federal aid to homeowners in the South Bronx, technical assistance to the city in processing low-interest Federal loans in the already-started urban homesteading and "sweat equity" programs and involvement of the Federal Home Loan Bank Board in promoting private loans to neighborhood groups.

Aside from the job-development and housing components, Federal money would be used for matching grants to build playgrounds and other recreational facilities and for a number of transportation improvements, including \$14 million to reconstruct the Major Deegan Expressway, beginning in September.

Mr. Koch and Mr. Badillo make a point of the city's sensitivity to criticism that community groups and individual residents within the South Bronx were not being consulted on plans to improve their neighborhood.

A 96-page draft of the city's overall proposals for Federal, state and municipal involvement in the South Bronx rehabilitation was conspicuously labeled "Preliminary" and "For Discussion."

And both the Mayor and his deputy conducted yesterday the first of what they said would be several meetings with South Bronx elected officials, community board members and representatives of their views on the draft plans.

"Nothing will be done against the wishes of the people who live there," Mr. Koch declared.

### New and Rehabilitated Housing

The city's draft proposal goes well beyond the \$55.6 million to be spent by the Federal Government in the next few months. It envisions a total of 27,650 units of new and rehabilitated housing over a seven-year period, including the expansion of a number of existing improvement areas: that around the Hub, in the vicinity of St. Mary's Park, Aldus Green-Longwood, Bronx Park South, Concourse East, Highbridge, West Tremont, Hunts Point, Belmont and the Concourse corridor.

Several changes in emphasis have been made since preliminary plans were drawn up by the administration of Mayor Abraham D. Beame last December.

"We don't need a 'new town,'" Mr. Badillo said, in reference to a Beame plan to create one between Claremont and Crotona Park. "We have the schools, the parks, the sewers—what we want is to replace the housing and the commercial facilities that are gone."

The latest plan also pays considerable attention to the West Tremont and Concourse areas, where urban blight has only begun to take its toll and where deterioration and joblessness are markedly less severe than in sections farther to the south, but without early attention could worsen rapidly.

The Mayor said that while sizable governmental outlays would be required, the main emphasis would be on stimulating the private sector to participate in the revival of the South Bronx.

"In my experience the private sector does things quicker and better than government," he said.

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